

## SEMINOLE COUNTY GOVERNMENT AGENDA MEMORANDUM

**SUBJECT:** Amendment #1 to M-463-04/AJR - Deferred Compensation Services

**DEPARTMENT:** Administrative Services

**DIVISION:** Purchasing and Contracts

**AUTHORIZED BY:** Frank Raymond

**CONTACT:** Ray Hooper

**EXT:** 7111

**MOTION/RECOMMENDATION:**

Approve Amendment #1 to M-463-04/AJR with Nationwide Retirement Solutions to increase the term of the agreement to January 4, 2015 and allow for a reduction in the asset management fee to 0 basis points on February 16, 2010.

County-wide

Ray Hooper

**BACKGROUND:**

The County's Deferred Compensation services are currently provided by Nationwide Retirement Solutions (NRS). The current contract will expire on January 3, 2010 and has one more renewal option that would extend the agreement to January 3, 2011, if exercised. If the County exercises the one year renewal period, the current asset management fee will be reduced from 20 basis points to 15 basis points.

During an NRS annual assessment on October 6, 2009, staff mentioned the possibility to reduce the asset management fee even further, if a longer term can be negotiated. Based upon these discussions, staff is recommending extension of the current term by executing Amendment #1 for a five year period from January 4, 2010 to January 4, 2015 to take advantage of 0 basis points effective on February 16, 2010, as the best value option for the County.

**STAFF RECOMMENDATION:**

Staff recommends that the Board Approve Amendment #1 to M-463-04/AJR with Nationwide Retirement Solutions to increase the term of the agreement to January 4, 2015 and allow for a reduction in the asset management fee to 0 basis points on February 16, 2010.

**ATTACHMENTS:**

1. Admendment #1 to M-463-04/AJR

**Additionally Reviewed By:**

☒ County Attorney Review ( Ann Colby )

**FIRST AMENDMENT TO DEFERRED COMPENSATION SERVICES AGREEMENT  
(M-463-04/AJR)**

**THIS FIRST AMENDMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and is to that certain Agreement made and entered into on the 5<sup>th</sup> day of January, 2005, between **NATIONWIDE RETIREMENT SOLUTIONS**, whose address is 5900 Parkwood Place, Dublin, Ohio 43016, hereinafter referred to as "CONTRACTOR," and **SEMINOLE COUNTY**, a political subdivision of the State of Florida, whose address is Seminole County Services Building, 1101 East First Street, Sanford, Florida 32771, hereinafter referred to as "COUNTY".

**W I T N E S S E T H:**

**WHEREAS**, CONTRACTOR and COUNTY entered into the above-referenced Agreement on January 5, 2005, for deferred compensation services; and

**WHEREAS**, the parties desire to amend the Agreement so as to enable both parties to continue to enjoy the mutual benefits it provides; and

**WHEREAS**, Section 15 of the Agreement provides that any amendments shall be valid only when expressed in writing and duly signed by the parties,

**NOW, THEREFORE**, in consideration of the mutual understandings and agreements contained herein, the parties agree to amend the Agreement as follows:

1. Section 4 of the Agreement is amended to read:

**SECTION 4. TERM.** This Agreement shall take effect on the date of its execution by COUNTY and shall remain in effect until January 4, 2015.

2. Exhibit "A" of the Agreement is deleted and replaced by the new Exhibit "A" and Exhibit "B", attached hereto.

3. Except as herein modified, all terms and conditions of the Agreement shall remain in full force and effect for the term of the Agreement, as originally set forth in said Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this instrument for the purpose herein expressed.

ATTEST:

NATIONWIDE RETIREMENT SOLUTIONS

\_\_\_\_\_  
, Secretary  
  
(CORPORATE SEAL)

By: \_\_\_\_\_  
, President

Date: \_\_\_\_\_

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
SEMINOLE COUNTY, FLORIDA


\_\_\_\_\_  
MARYANNE MORSE  
Clerk to the Board of  
County Commissioners of  
Seminole County, Florida.

By: \_\_\_\_\_  
BOB DALLARI, Chairman

Date: \_\_\_\_\_

For the use and reliance  
of Seminole County only.

Approved as to form and  
legal sufficiency.

As authorized for execution  
by the Board of County Commissioners  
at their \_\_\_\_\_, 20\_\_\_\_  
regular meeting.

\_\_\_\_\_  
County Attorney

AEC/sjs  
10/29/09  
P:\Users\Legal Secretary CSB\Purchasing 2009\Agreements\M-463-04.doc

EXHIBIT A



**Nationwide®**

*On Your Side™*

November 2, 2004

Ray Hooper  
Purchasing and Contracts Manager  
Seminole County Government  
1101 East First Street  
Sanford, FL 32771

Dear Mr. Hooper,

The following confirms Nationwide Retirement Solutions additional commitments to the Seminole County Deferred Compensation Program.

1. We will have a mutual funds selection of up to 50 funds available for County employees through the Nationwide Retirement Solutions program.
2. Each and every year with County Administration we will have a formal Plan Review and Fund Review. In attendance from our Home Office will be a Certified Financial Analyst, Home Office Plan Administrator, your local Program Director, Retirement Specialist and the Regional Vice President.
3. Seminole County will have a competitive program better than or equal to any other Florida counties with its similar asset size, including Constitutional offices. Price is a Key component. Exclusivity and nonexclusivity will also be taken into consideration.
4. The target date for share accounting enhancements is January 2005.
5. The *Harrisdirect* self directed brokerage option will be available in January 2005.

I thank the Committee, your staff and County Administration for your professionalism and partnership in assisting Seminole County Employees to defer their Federal Income taxes and increase their retirement security.

It is my understanding that this letter will be made part of our contract.

Sincerely,

  
Lou Moreno  
SW/S Regional Vice President

Cc: C. Morrow, CFA Home Office  
J. Hammond, Home Office Plan Administrator  
A. Buchanan, Central Florida Program Director  
R. Pena, Retirement Specialist

**Nationwide®  
Retirement Solutions**

A Nationwide Financial company

October 14, 2004

Mr. Ray Hooper  
Purchasing and Contracts Manager  
Seminole County Government  
1101 East First Street  
Sanford, FL 32771

Re: Seminole County Request for Information

Dear Mr. Hooper:

Thank you for your candid and open communication at Wednesday's Finalist Presentation. Nationwide's goal, as always, is to learn how we can better serve our customers and we appreciate the opportunity to work together with the County to identify ways in which we can enhance our service to your employees.

For information regarding the self-directed brokerage option that can be offered to County employees, please refer to the enclosed Harrisdirect marketing materials. As we discussed, there is a \$50 administration fee assessed by Nationwide on the anniversary of when a participant begins utilizing this option. Please note that specifics regarding Harrisdirect's fees can be found on pages 15 and 16 of the "Welcome to Harrisdirect" kit.

Also included in this package, please find the proposed investment lineup being offered to the County. This chart highlights our proposed funds along with the Morningstar rating and 12b-1 fees of each option.

Nationwide values its nearly 20-year partnership with the County and is excited to continue this relationship of promises made and promises kept. Evidence of our commitment to you are the various price reductions we have offered to the County over the last six years. In 1998, Nationwide provided the County with a tiered pricing structure, moving your employees from a flat asset management charge of 95 basis points (.95%) to 95/80/70 on the Passage, Select Spectrum and Investor Destination Series funds respectively. One year later, we reduced this tiered pricing to 90/70/60. Finally, in 2002, pricing was reduced again to 90/55/55.

Our focus is on you and your employees and ensuring that you have the best possible arrangement available. For this reason, our offer to the County includes full administration and service for an asset management charge of 25 basis points (0.25%) on both an exclusive and non-exclusive basis. We will continue to look for opportunities to enhance your plan and thank you for your positive consideration during your plan review.

Sincerely,

Lou Moreno  
Regional Vice President  
Nationwide Retirement Solutions

Cc: M. Welker

J. Croteau  
J. Davis  
M. Drake  
A. Buchanan  
J. Hammond  
R. Pena



Nationwide  
Retirement Solutions

a Nationwide Financial company

## EXHIBIT A

October 13, 2004

Peter W. Maley  
Contracts Supervisor  
Seminole County, Florida  
1101 East First Street  
Sanford, FL 32771-1468

Re: Response to the County's Request for Proposal for 457 and 401(a) plan services

Dear Mr. Maley:

Thank you for your continuous support of Nationwide Retirement Solutions ("Nationwide"). For nearly 20 years, Nationwide has provided comprehensive retirement planning services to the County and its employees and we are excited to continue this long-standing partnership.

Nationwide's original offer to the County remains good and includes:

- 40 group workshops and a minimum of 160 one-on-ones per year with up to 20 business days of visits per month
- Direct Access *Reps-on-Call* and *Retirement Income Management* team
- An annual education plan of action including ongoing measurement and evaluation
- Quarterly newsletters and monthly legislative updates
- Robust recordkeeping and proven, personalized administration services
- 35 low-cost, high quality investment options including a diverse set of non-proprietary funds
- Highly competitive fixed account option

We have enhanced our original offer to the County by making our 0.25% asset fee available for both an exclusive and side-by-side arrangement. To ensure minimum plan disruption to the County and its employees, our proposed fund lineup includes 35 of the current 46 options available in the plan. In addition, Nationwide makes available over 10,000 funds from 450 fund houses through a self-directed brokerage window.

Our near 20-year partnership with the County, dedicated service to public sector retirement, extensive experience in Florida, comprehensive package of products and services and commitment to education make us uniquely qualified to continue servicing the County and its employees. If you have questions about our offer or would like additional information, please feel free to contact me at 1-800-432-0822 or email me at [MorenoL@Nationwide.com](mailto:MorenoL@Nationwide.com). Thank you.

Sincerely,

Lou Moreno  
Regional Vice President  
Nationwide Retirement Solutions

# III. Scorecard

## Seminole County

Expense Summary  
June 30, 2009

FOR PLAN SPONSOR USE ONLY  
NOT FOR USE WITH PLAN PARTICIPANTS

INVESTMENT OPTION	PROSPECTUS GROSS EXPENSE RATIO	EXPENSE WAIVER AMOUNT	EXPENSE WAIVER TYPE	EXPENSE WAIVER EXPIRATION DATE	FUND MANAGEMENT FEE	12b-1 FEE	PROSPECTUS NET EXPENSE RATIO	NATIONWIDE ADMINISTRATIVE FEE	TOTAL EXPENSE
Nationwide Inv Destinations Agrsv Svc	0.91%	-	NA	NA	0.66%	0.25%	0.91%	0.20%	1.11%
Nationwide Inv Destination Mod Agrsv Svc	0.91%	-	NA	NA	0.66%	0.25%	0.91%	0.20%	1.11%
Nationwide Inv Dest Mod Svc	0.90%	-	NA	NA	0.65%	0.25%	0.90%	0.20%	1.10%
Nationwide Inv Dest Mod Cnsv Svc	0.90%	-	NA	NA	0.65%	0.25%	0.90%	0.20%	1.10%
Nationwide Inv Dest Cnsv Svc	0.91%	-	NA	NA	0.66%	0.25%	0.91%	0.20%	1.11%
Nationwide Destination 2050 Instl Svc	0.82%	-	NA	NA	-	-	0.82%	0.20%	1.02%
Nationwide Destination 2045 Instl Svc	0.80%	-	NA	NA	-	-	0.80%	0.20%	1.00%
Nationwide Destination 2040 Instl Svc	0.82%	-	NA	NA	-	-	0.82%	0.20%	1.02%
Nationwide Destination 2035 Instl Svc	0.84%	-	NA	NA	-	-	0.84%	0.20%	1.04%
Nationwide Destination 2030 Instl Svc	0.83%	-	NA	NA	-	-	0.83%	0.20%	1.03%
Nationwide Destination 2025 Instl Svc	0.82%	-	NA	NA	-	-	0.82%	0.20%	1.02%
Nationwide Destination 2020 Instl Svc	0.82%	-	NA	NA	-	-	0.82%	0.20%	1.02%
Nationwide Destination 2015 Instl Svc	0.82%	-	NA	NA	-	-	0.82%	0.20%	1.02%
Nationwide Retirement Income Instl Svc	0.84%	-	NA	NA	-	-	0.84%	0.20%	1.04%
AIM Global Health Care A	1.23%	0.01%	Contractual	June 30, 2009	0.97%	0.25%	1.22%	0.20%	1.42%
BlackRock Natural Resources A	1.06%	-	NA	NA	0.81%	0.25%	1.06%	0.20%	1.26%
Mutual Financial Services A	1.48%	-	NA	NA	1.18%	0.30%	1.48%	0.20%	1.68%
Morgan Stanley Inst US Real Estate P	1.21%	-	NA	NA	0.96%	0.25%	1.21%	0.20%	1.41%
Oppenheimer Developing Markets A	1.27%	-	NA	NA	1.02%	0.25%	1.27%	0.20%	1.47%
American Century Intl Discovery Inv	1.53%	-	NA	NA	-	-	1.53%	0.20%	1.73%
Neuberger Berman International Tr	1.38%	-	NA	NA	-	-	1.38%	0.20%	1.58%
American Funds EuroPacific Gr R4	0.85%	-	NA	NA	0.60%	0.25%	0.85%	0.20%	1.05%
Nationwide International Index A	0.82%	0.05%	Contractual	February 28, 2010	0.52%	0.25%	0.77%	0.20%	0.97%
AllianceBern Intl Val K	1.16%	-	NA	NA	0.91%	0.25%	1.16%	0.20%	1.36%
American Funds Capital World G/I R4	0.79%	-	NA	NA	0.54%	0.25%	0.79%	0.20%	0.99%
Oppenheimer Global A	1.09%	-	NA	NA	0.85%	0.24%	1.09%	0.20%	1.29%
Baron Small Cap	1.32%	-	NA	NA	1.07%	0.25%	1.32%	0.20%	1.52%
Brown Capital Mgmt Small Co Instl	1.22%	-	NA	NA	-	-	1.22%	0.20%	1.42%
RWIT Multi-Manager Small Company 1	1.21%	-	NA	NA	-	-	1.21%	0.20%	1.41%
Nationwide Small Cap Index A	0.76%	0.06%	Contractual	February 28, 2010	0.45%	0.25%	0.70%	0.20%	0.90%
Neuberger Berman Genesis Tr	1.11%	-	NA	NA	-	-	1.11%	0.20%	1.31%
Van Kampen Small Cap Value A	1.29%	-	NA	NA	1.04%	0.25%	1.29%	0.20%	1.49%
AIM Capital Development A	1.27%	0.01%	Contractual	June 30, 2009	1.01%	0.25%	1.26%	0.20%	1.46%
American Century Vista Inv	1.00%	-	NA	NA	-	-	1.00%	0.20%	1.20%
JPMorgan Diversified Mid Cap Growth A	1.39%	0.15%	Contractual	October 31, 2009	0.95%	0.25%	1.24%	0.20%	1.44%
T. Rowe Price Mid-Cap Growth Adv	1.03%	-	NA	NA	0.78%	0.25%	1.03%	0.20%	1.23%
Nationwide Mid Cap Market Index A	0.77%	0.05%	Contractual	Indefinite	0.47%	0.25%	0.72%	0.20%	0.92%
Franklin Balance Sheet Investment A	1.00%	0.02%	Voluntary	NA	0.74%	0.24%	0.98%	0.20%	1.18%
JPMorgan Mid Cap Value A	1.42%	0.17%	Contractual	October 31, 2009	1.00%	0.25%	1.25%	0.20%	1.45%

### III. Scorecard

#### Seminole County

Expense Summary  
June 30, 2009

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INVESTMENT OPTION	PROSPECTUS GROSS EXPENSE RATIO	EXPENSE WAIVER AMOUNT	EXPENSE WAIVER TYPE	EXPENSE WAIVER EXPIRATION DATE	FUND MANAGEMENT FEE	12b-1 FEE	PROSPECTUS NET EXPENSE RATIO	NATIONWIDE ADMINISTRATIVE FEE	TOTAL EXPENSE
American Funds Growth Fund of Amer R4	0.67%	--	NA	NA	0.42%	0.25%	0.67%	0.20%	0.87%
Nationwide Large Cap Growth Portfolio	0.95%	--	NA	NA	0.95%	0.00%	0.95%	0.20%	1.15%
T. Rowe Price Growth Stock Adv	0.94%	--	NA	NA	0.69%	0.25%	0.94%	0.20%	1.14%
American Funds Invmt Co of Amer R4	0.65%	--	NA	NA	0.40%	0.25%	0.65%	0.20%	0.85%
Davis NY Venture A	0.85%	--	NA	NA	0.60%	0.25%	0.85%	0.20%	1.05%
Eaton Vance Dividend Builder A	1.06%	0.01%	Voluntary	April 30, 2010	0.80%	0.25%	1.05%	0.20%	1.25%
Nationwide D	0.78%	--	NA	NA	--	--	0.78%	0.20%	0.98%
Nationwide S&P 500 Index Instl Svc	0.52%	0.04%	Contractual	February 28, 2010	--	--	0.48%	0.20%	0.68%
Neuberger Berman Socially Resp Inv	0.90%	--	NA	NA	--	--	0.90%	0.20%	1.10%
American Century Value Inv	1.00%	--	NA	NA	--	--	1.00%	0.20%	1.20%
Fidelity Advisor Equity Income A	1.01%	--	NA	NA	0.76%	0.25%	1.01%	0.20%	1.21%
T. Rowe Price Equity Income Adv	0.92%	--	NA	NA	0.67%	0.25%	0.92%	0.20%	1.12%
Van Kampen Growth and Income A	0.79%	--	NA	NA	0.54%	0.25%	0.79%	0.20%	0.99%
American Funds Inc Fund of Amer R4	0.66%	--	NA	NA	0.41%	0.25%	0.66%	0.20%	0.86%
Waddell & Reed High-Income Y	0.82%	0.03%	Voluntary	September 30, 2016	--	--	0.79%	0.20%	0.99%
Nationwide Bond Index A	0.75%	0.05%	Contractual	February 28, 2010	0.45%	0.25%	0.70%	0.20%	0.90%
PIMCO Total Return A	0.96%	--	NA	NA	0.65%	0.25%	0.90%	0.20%	1.10%
Nationwide Money Market Prime	0.67%	--	NA	NA	--	--	0.67%	0.20%	0.87%
Morley Stable Value Retirement Fund	0.50%	--	NA	NA	0.50%	0.00%	0.50%	0.20%	0.70%
Nationwide Fixed Account	0.00%	--	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Morningstar and Individual Fund Prospectuses

Prospectus Gross Expense Ratio represents the total gross expenses (not expenses with waivers added back in) divided by the fund's average net assets. It is not equal to the net expense ratio. The gross expense ratio portrays the fund's expenses had the fund not waived a portion, or all, of its fees. Thus, to some degree, it is an indication of the fee contracts. Some waivers have an expiration date; other waivers are in place indefinitely. - Source: Morningstar DirectSM

Prospectus Net Expense Ratio is the percentage of fund assets, net of reimbursements, used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio. The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees. - Source Morningstar DirectSM

For more information about the available investment options including all charges and expenses, please consult a fund prospectus. Fund prospectuses and additional information relating to your retirement plan can be obtained by contacting your pension representative. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus contains this and other important information. Read the prospectus carefully before investing.

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**EXHIBIT B**

October 21, 2009

Ray Hooper, Purchasing Department  
Seminole County Board of County Commissioners  
1101 East First Street  
Sanford, FL 32771-1468

**Re: Deferred Compensation Plan Contract Extension**

Dear Mr. Hooper:

Thank you for providing Nationwide Retirement Solutions ("Nationwide") with the opportunity to continue serving Seminole County ("Plan") and its participants. We appreciate your continued partnership and confidence in Nationwide.

This letter serves as follow-up to conversations that occurred at the Annual Plan Review Meeting on October 6, 2009, attended by you and other County Representatives and Commissioners. My understanding is that the County is interested in extending our existing contract for a period longer than one year. Accordingly, Nationwide is prepared to offer the following pricing under the following contract term extensions:

Contract Term Extension	Asset Management Charge
2-year contract term	10 basis points (0.10%)
5-year contract term	0 basis points (0.00%)

The asset management charge applies to all variable investment options offered through the Plan and would not include the Nationwide Fixed Account. The Nationwide Fixed Account does not have an asset management charge. Nationwide is prepared to implement this enhanced pricing effective February 16, 2010, provided the County provides confirmation of its acceptance of this offer prior to December 28, 2009.

Should you have additional questions please feel free to contact Angela Buchanan at 407/719-9552 or at [buchana@nationwide.com](mailto:buchana@nationwide.com). Janet Hammond is also available at 614/854-8796 or at [hammonj@nationwide.com](mailto:hammonj@nationwide.com).

Sincerely,

Lou Moreno  
Regional Vice President, South/Southwest  
Nationwide Retirement Solutions

cc: Bob Dallari, Seminole County  
Michael McLean, Seminole County  
Dick Van Der Wede, Seminole County  
Carlton Henley, Seminole County  
Brenda Carey, Seminole County  
Angela Buchanan, Program Director, Nationwide  
Janet Hammond, Director, Relationship Management, Nationwide